

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

SENATE BILL 716

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005

INTRODUCED BY

Leonard Lee Rawson

AN ACT

RELATING TO HEALTH INSURANCE; ALLOWING AN UNEMPLOYED FORMER
EMPLOYEE TO PARTICIPATE IN NEW MEXICO COMPREHENSIVE HEALTH
INSURANCE POOL COVERAGE WITHOUT FIRST EXHAUSTING FEDERAL
CONTINUATION BENEFITS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 59A-54-12 NMSA 1978 (being Laws 1987,
Chapter 154, Section 12, as amended) is amended to read:

"59A-54-12. ELIGIBILITY--POLICY PROVISIONS.--

A. Except as provided in Subsection B of this
section, a person is eligible for a pool policy only if on the
effective date of coverage or renewal of coverage the person is
a New Mexico resident, and:

(1) is not eligible as an insured or covered
dependent for any health plan that provides coverage for

underscoring material = new
[bracketed material] = delete

1 comprehensive major medical or comprehensive physician and
2 hospital services;

3 (2) is currently paying a rate for a health
4 plan that is higher than one hundred twenty-five percent of the
5 pool's standard rate;

6 (3) has been rejected for coverage for
7 comprehensive major medical or comprehensive physician and
8 hospital services;

9 (4) is only eligible for a health plan with a
10 rider, waiver or restrictive provision for that particular
11 individual based on a specific condition;

12 (5) has a medical condition that is listed on
13 the pool's pre-qualifying conditions;

14 (6) has as of the date the individual seeks
15 coverage from the pool an aggregate of eighteen or more months
16 of creditable coverage, the most recent of which was under a
17 group health plan, governmental plan or church plan as defined
18 in Subsections P, N and D, respectively, of Section 59A-23E-2
19 NMSA 1978, except, for the purposes of aggregating creditable
20 coverage, a period of creditable coverage shall not be counted
21 with respect to enrollment of an individual for coverage under
22 the pool if, after that period and before the enrollment date,
23 there was a sixty-three-day or longer period during all of
24 which the individual was not covered under any creditable
25 coverage; or

.155183.1

underscored material = new
[bracketed material] = delete

1 (7) is entitled to continuation coverage
2 pursuant to Section 59A-23E-19 NMSA 1978.

3 B. Notwithstanding the provisions of Subsection A
4 of this section:

5 (1) a person's eligibility for a policy issued
6 under the Health Insurance Alliance Act shall not preclude a
7 person from remaining on or purchasing a pool policy; provided
8 that a self-employed person who qualifies for an approved
9 health plan under the Health Insurance Alliance Act by using a
10 dependent as the second employee may choose a pool policy in
11 lieu of the health plan under that act;

12 (2) a pool policyholder shall be eligible for
13 renewal of pool coverage even though the policyholder became
14 eligible for medicare or medicaid coverage while covered under
15 a pool policy; and

16 (3) if a pool policyholder becomes eligible
17 for any group health plan, the policyholder's pool coverage
18 shall not be involuntarily terminated until any preexisting
19 condition period imposed on the policyholder by the plan has
20 been exhausted.

21 C. Coverage under a pool policy is in excess of and
22 shall not duplicate coverage under any other form of health
23 insurance.

24 D. A policyholder's newborn child or newly adopted
25 child is automatically eligible for thirty-one consecutive

.155183.1

underscored material = new
[bracketed material] = delete

1 calendar days of coverage for an additional premium.

2 E. Except for a person eligible as provided in
3 Paragraph (6) of Subsection A of this section, a pool policy
4 may contain provisions under which coverage is excluded during
5 a six-month period following the effective date of coverage as
6 to a given individual for preexisting conditions.

7 F. The preexisting condition exclusions described
8 in Subsection E of this section shall be waived to the extent
9 to which similar exclusions have been satisfied under any prior
10 health insurance coverage that was involuntarily terminated, if
11 the application for pool coverage is made not later than
12 thirty-one days following the involuntary termination. In that
13 case, coverage in the pool shall be effective from the date on
14 which the prior coverage was terminated. This subsection does
15 not prohibit preexisting conditions coverage in a pool policy
16 that is more favorable to the insured than that specified in
17 this subsection.

18 G. An individual is not eligible for coverage by
19 the pool if:

20 (1) except as provided in Subsection I of
21 this section, the individual is, at the time of application,
22 eligible for medicare or medicaid that would provide coverage
23 for amounts in excess of limited policies such as dread
24 disease, cancer policies or hospital indemnity policies;

25 (2) the individual has voluntarily terminated

.155183.1

underscored material = new
[bracketed material] = delete

1 coverage by the pool within the past twelve months and did not
2 have other continuous coverage during that time, except that
3 this paragraph shall not apply to an applicant who is a
4 federally defined eligible individual;

5 (3) the individual is an inmate of a public
6 institution or is eligible for public programs for which
7 medical care is provided;

8 (4) the individual is eligible for coverage
9 under a group health plan;

10 (5) the individual has health insurance
11 coverage as defined in Subsection R of Section 59A-23E-2 NMSA
12 1978;

13 (6) the most recent coverages within the
14 coverage period described in Paragraph (6) of Subsection A of
15 this section were terminated as a result of nonpayment of
16 premium or fraud; or

17 (7) the individual has been offered the
18 option of continuation coverage under a federal COBRA
19 continuation provision as defined in Subsection F of Section
20 59A-23E-2 NMSA 1978 or under a similar state program and he
21 has elected the coverage and did not exhaust the continuation
22 coverage under the provision or program, provided, however,
23 that an unemployed former employee who has not exhausted COBRA
24 coverage shall be eligible.

25 H. Any person whose health insurance coverage from

.155183.1

underscored material = new
~~[bracketed material] = delete~~

1 a qualified state health policy with similar coverage is
2 terminated because of nonresidency in another state may apply
3 for coverage under the pool. If the coverage is applied for
4 within thirty-one days after that termination and if premiums
5 are paid for the entire coverage period, the effective date of
6 the coverage shall be the date of termination of the previous
7 coverage.

8 I. The board may issue a pool policy for
9 individuals who:

10 (1) are enrolled in both Part A and Part B of
11 medicare because of a disability; and

12 (2) except for the eligibility for medicare,
13 would otherwise be eligible for coverage pursuant to the
14 criteria of this section."

15 - 6 -
16
17
18
19
20
21
22
23
24
25